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Anguilla

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I. Background information

A. Geography

1. Anguilla lies 240 kilometres east of Puerto Rico, 113 kilometres north-west of Saint Kitts and Nevis and 8 kilometres north of St. Maarten/St. Martin. The Territory has a relatively flat topography, a total area of 96 square kilometres and includes several offshore islets. The main island has a maximum length of 26 kilometres and a maximum width of 5 kilometres. The capital of Anguilla is The Valley, where 43 per cent of the population resides.

B. History

2. Originally inhabited by the Arawaks, Anguilla was first colonized by British settlers in 1650. For administrative purposes, it was associated with Saint Kitts and Nevis from 1871 to 1980. Following the dissolution of the Federation of the West Indies in 1962, Saint Kitts-Nevis-Anguilla became a State in association with the United Kingdom of Great Britain and Northern Ireland. In 1967, the Anguillan people staged a number of demonstrations to demand secession from Saint Kitts and Nevis. In the referendum held in July 1967, the vote was 1,813 to 5 in favour of independence. As a result, the legal ties to Saint Kitts were severed. Demonstrations and protracted negotiations were followed by the intervention of British security forces in 1969 and the Anguilla Act of 1971, whereby the United Kingdom reassumed direct responsibility for administration of the Territory, appointed a Commissioner and provided for the establishment of an Island Council. A separate Constitution came into effect in February 1976. In 1980, the Territory formally withdrew from the Associated State of Saint Kitts-Nevis-Anguilla and became a separate dependency (now Overseas Territory) of the United Kingdom.

3. In 1981 further constitutional talks between the Governments of Anguilla and the United Kingdom were held. The Chief Minister of Anguilla recommended that a new constitution, while not providing for a full measure of internal self-government, should nevertheless grant a substantial degree of additional local responsibility to the Government of Anguilla. The Anguilla House of Assembly approved the changes and the United Kingdom enabled the Anguilla (Constitution) Order to come into force on 1 April 1982. An outline of the Order is provided in the report of the United Nations visiting mission to Anguilla of 1984 (see A/AC.109/799, paras. 19-27). After the general election of 1984, the newly elected Government appealed for wider powers for the Executive Council, as well as for more aid and investment in the Territory's economy and infrastructure from the United Kingdom.

4. The latest Anguilla Constitution (Amendment) Order was adopted in 1990. The current Constitution evolved from the 1976 and the 1982 Constitution Orders and is the fourth Constitution that applies solely to Anguilla. According to the administrating Power, it gives a large measure of self-government and control over internal affairs to elected Ministers of the Government of Anguilla, while reserving certain responsibilities and powers for the Government of the United Kingdom through the Governor.

C. Population

5. According to the latest census conducted in 2001, Anguilla's population is 11,561. Women then made up 51 per cent of the population and men 49 per cent. The average annual increase in the population between 1992 (year of the previous census) and 2001 was 3.2 per cent. This was a slightly lower increase than the 4.3 per cent between 1984 and 1992. There are several thousand Anguillans living abroad, particularly in the United Kingdom, the United States of America and the United States Virgin Islands.

6. Of the total population, 99 per cent speaks English well enough to carry on a conversation. Spanish or Chinese are the most common mother tongues among non-English speakers. With respect to religion, 29 per cent of the population identified itself as Anglican and 24 per cent as Methodist. Pentecostal, Church of God, Seventh Day Adventist and Baptist adherents represented 7 to 8 per cent each of the population, while Roman Catholics represented 6 per cent.

II. Constitutional, legal and political issues

7. According to the Anguilla (Constitution) Order 1982, the Government of Anguilla consists of a Governor, an Executive Council and a House of Assembly. The Governor, who is appointed by the Queen, is responsible for defence, external affairs, internal security, including the police, international financial services, and public service appointments and the application to public servants of their terms and conditions of service. On all other matters, the Governor is required to consult with and act on the advice of the Executive Council. The Executive Council consists of the Chief Minister, not more than three other ministers and two ex officio members (the Attorney-General and the Deputy Governor). The Governor acts as Chairman. The House of Assembly is elected for five-year terms. It comprises a Speaker, seven members elected from single-member constituencies, the same two ex officio members as in the Executive Council and two members nominated by the Governor, one of whom is appointed upon the advice of the Chief Minister and the other following consultation with the Chief Minister and the leader of the opposition.

8. At present the Governor of Anguilla is Alan Huckle, who took up office in May 2004.

9. The elections in March 2000 brought to power a coalition, the United Front, formed by the Anguilla National Alliance and the Anguilla Democratic Party led by Chief Minister Osbourne Fleming of the Anguilla National Alliance. Hubert Hughes, of the Anguilla United Movement, was leader of the opposition until May 2004, when one of the elected representatives in his party transferred his support to Edison Baird, who was appointed leader of the opposition on 24 May 2004. Two other political parties — the Anguilla National Strategic Alliance and the Anguilla Progressive Party — were formed in 2004. The next election will be held in June 2005.[1]

10. The British Overseas Territories Act, which came into force in 2002, grants the right to full British citizenship to all inhabitants of the Territories and formally abolishes the terms "colony" and "dependent territory". That law allows Anguillans to hold British passports and work anywhere in the European Union.

11. Following the 1999 White Paper (for the text, see A/AC.109/1999/1 and Corr.1, annex; for key recommendations, see A/AC.109/1999/9, para. 28), the British Government encouraged the Territories under its administration to institute a constitutional review process. Within the framework of the White Paper, the Anguilla Committee for Constitutional and Electoral Reform, appointed in 2001, pursued its work throughout 2002 and 2003, but ground to a halt in 2004. The Governor indicated, in his 2004 Christmas message, that he wished to re-invigorate the discussion of constitutional and electoral reform after the elections in 2005.[1]

12. The issues brought to light during the constitutional review process, such as the role of the Governor and his relations with the elected administration (see A/AC.109/2003/11, para. 12, and A/AC.109/2004/10, paras. 12-14), continue to be discussed at sessions of the United Kingdom Overseas Territories Consultative Council held in London for the past six years. The latest meeting was held in London in September 2004 (see also sect. VII below).

13. In December 2003, a Government-conducted survey in Anguilla indicated that 51 per cent of the island's population were of the opinion that the Constitution needed to be changed. The survey also indicated that 76 per cent of the respondents favoured a more democratic relationship between Anguilla and the United Kingdom. Over 60 per cent of those surveyed were of the view that the Attorney General and the Deputy Governor should remain as members of the Executive Council, but an overwhelming majority considered that their roles should change.[1] On the issue of citizenship, two thirds of those surveyed thought that those acquiring "Belonger" (local citizenship) status through marriage to an Anguillan should have to apply for it rather than get it automatically after a five-year period.

14. The law of Anguilla is the common law of the United Kingdom, together with all legislation inherited from the former Associated State of Saint Kitts-Nevis-Anguilla up to August 1971 and the local legislation enacted since that date. The law is administered by the Eastern Caribbean Supreme Court, which comprises a Court of Appeal and a High Court of Justice, courts of summary jurisdiction and magistrate courts.

III. Budget

15. In December 2004, the Minister of Finance presented the 2005 budget to the House of Assembly under the theme "Anguilla incorporated, Open for business". The Minister of Finance explained that the Government's fiscal stabilization programme (2002-2004) had worked. The economy was projected to have double-digit growth in 2004 and the Government was expecting a recurrent surplus of EC$ 24 million for 2004, compared to EC$ 3 million in 2003.

16. The Minister of Finance was of the view that the economic and fiscal stabilization programme had put Anguilla on a path of sustainable economic development. Hotel and tourist sectors of the economy, which are offering world class services, were positively affected, in particular by the reconstruction of the runway for the Wallblake Airport and unprecedented investments made by the Government in marketing Anguilla as a tourist destination during 2004 (see also sect. IV below).

17. The Minister of Finance reported that, as part of a joint agreement with the Government of the United Kingdom on borrowing guidelines, the Government of Anguilla commenced in 2002 a programme to put aside money into reserves to achieve 90 days of recurrent expenditure by 2007. Under that programme, once the targets are maintained or exceeded, the prior approval of the Government of the United Kingdom will not be required for loans with a positive financial or economic rate of return. At the time that the 2005 budget was presented to the House of Assembly, the reserves stood at EC$ 10.2 million, which is marginally short of the target to be achieved by the end of 2005. According to the Minister, all the fiscal targets set by the Government of Anguilla for 2004 were exceeded.

18. According to the Minister of Finance, the recurrent budget for 2005 was projected at EC$ 97,189,584, with capital expenditure projected at EC$ 37,033,100. It will be financed by recurrent revenue of $102 million, the surplus from 2004 and borrowing. New loans of EC$ 12 million will be raised to finance a number of projects, while existing loans not fully utilized will be used to finance further improvement of the Wallblake Airport and the completion of roads started during 2004, which are also included in the 2005 capital budget.

19. As was reported in working paper A/AC.109/2004/10, paragraphs 22, 25 and 26, at the end of the 2004/05 United Kingdom financial year (31 March 2005), bilateral aid from the United Kingdom Government Department for International Development will cease. According to the administering Power, the Department for International Development agreed to an accelerated programme to finance some projects, including the creation of a computerized inland revenue system, building a mental health facility at the hospital and building a water laboratory in the environmental health unit. After the cessation of bilateral aid of the Department for International Development, Anguilla will still be entitled to receive grant financing from the European Development Fund, the United Nations Development Programme, the Good Government Fund of the Foreign and Commonwealth Office, the Foreign and Commonwealth Office/Department for International Development Overseas Territories Environment Programme and the Department for International Development Overseas Territories regional aid programme.[1]

IV. Economy

A. General

20. As reported in previous working papers (A/AC.109/2001/13, A/AC.109/2002/3, A/AC.109/2003/11, paras. 22-26, A/AC.109/2004/10, para. 24), after a decade of rapid growth, the economy of Anguilla slowed in 2000 as a result of natural disasters and overall global recession. The Government introduced the Strategic Country Programme 2002/03 aimed at diversifying the economy and preparing it to reduce vulnerability to external shocks. According to the information provided by the administering Power, since 2000, Anguilla has managed to register positive growth rates. During the period 2000 to 2003, the annual average rate of economic growth, as measured by the growth of gross domestic product (GDP) was 2.1 per cent. The tourism sector continued to be the main economic driver, accounting for on average 25 per cent of economic output during the period.

21. According to the administering Power, in 2004, Anguilla's economy was projected to grow considerably faster owing to activity in the construction sector and tourism-related projects, including the construction of a luxury golf course, club house, spa and five star boutique, hotel, estate homes and villas, which will be developed at a cost in excess of US$ 250 million over 10 years. Work within the public sector will include the next phase of the Wallblake Airport Expansion Project, with a project cost of US$ 20.7 million, and road development works (see also sect. IV below).

22. The Government of Anguilla is committed to achieving a growth rate over the next five years of not more than 12 per cent of GDP. The main driver will be foreign direct investment in tourism, information technology and other sectors. The key focus of investment policy in 2005 and beyond will be to promote and attract domestic and foreign investment to enterprises producing low-volume high-value products and services for export and domestic consumption; ensure that citizens of Anguilla in general participate substantially as investors owning enterprises in all sectors of the economy; restrict investment by non-citizens to specific sectors of the economy and specific enterprises; diversify the economy; promote innovation and development of new technologies and skills; promote export development, import substitution and replacement and intersectoral linkages in the economy; regulate the alienation of land to foreign companies and foreign nationals and encourage Anguillans to leverage that land into participation in joint venture projects; and develop an organizational plan to strengthen the capacity to manage and streamline the investment process for greater effectiveness.

23. The Government of Anguilla considers that economic activity on the scale targeted would allow it to fund key interventions in health, education and social development (community development, youth, culture and sports) and, in so doing, to further sustainable human development.[1]

B. Agriculture and fishery

24. Agricultural activity in Anguilla is limited due to a combination of factors, including poor soil, the small amount of arable land and irregular rainfall. Notwithstanding that, agriculture continues to play an important part in the livelihood of the local people. According to the information provided by the administering Power, in 2003, agriculture, including fish, crops and livestock, contributed about 2.9 per cent to GDP.

25. In response to demand for vegetables in the tourism sector and the increasing number of retail outlets, an increasing number of small farmers have invested in drip irrigation technology for intensive farming. An active farmer's association is cooperating with government technical officers to increase production of green vegetables and reduce the island's food import bill.

26. The Government considers that Anguilla's fisheries and marine resources hold the potential for the diversification of the tourism-dependent economy. In particular, deep-sea fishing resources in Anguilla's 200 mile Exclusive Economic Zone can be sustainably exploited to satisfy markets locally and regionally. The Government has plans for institutional strengthening and human resource development in order to effectively manage the island's fisheries and other marine resources.[1]

C. Tourism

27. Tourism continues to dominate the Anguillian economy. In 2003, the Territory received 109,282 visitors, 52 per cent of whom came from the United States, 5 per cent from the United Kingdom and 4 per cent from Canada. Tourist arrivals (stay-over visitors), which account for 42.9 per cent of the total visitor arrivals, increased by 7 per cent over 2002.

28. According to the administering Power, in addition to the construction of a luxury hotel and villa, as well as a golf course, a multimillion-dollar project was signed in 2004 for a major redevelopment of the Cocoloba resort complex (see also sect. III, para. 16, and sect. IV, para. 21, above).

29. According to the Government of Anguilla, the marketing and promotional activities of the Anguilla Tourist Board and the Anguilla Hotel and Tourism Association are having a positive impact on the industry, and a 20 per cent increase is projected for 2004, compared to 2003. Key initiatives include the establishment and expansion of marketing and public relations representation in several key markets — North America, Europe and the Caribbean; a jazz festival launched in conjunction with a television entertainment programme, which has resulted in a greater level of exposure; the promotion of visits to the island by travel writers from American and European magazines and newspapers, travel agents and tour operators; and a programme designed to raise the profile of the mid-market hotels and resorts.

30. The Government has increased the budgetary allocation for marketing substantially, the aim being to increase the number of tourist arrivals by 15,085 and to increase hotel occupancy rates from 45 per cent to 60 per cent in 2005.[1]

D. International financial services

31. Anguilla has a small but rapidly expanding international finance sector, specializing in trust and company registration, which brings in about 13 per cent of the Territory's GDP. Anguilla entered the field of financial services relatively late, the key legislation having been passed in 1994. There are no income, estate or capital gains taxes. Nor are there any exchange controls, and, although the official currency is the Eastern Caribbean dollar, the United States dollar is commonly used.

32. As reported in previous working papers (see A/AC.109/2001/13, paras. 31-35, A/AC.109/2002/3, paras. 43-47, and A/AC.109/2003/11, paras. 33-39), Anguilla's financial services largely meet current international standards. In March 2002, Anguilla committed to cooperate with the Organization for Economic Cooperation and Development and was removed from the list of uncooperative tax jurisdictions. During the reporting period, Anguilla continued to improve its legislation and further develop its financial services.

33. In order to further develop and strengthen the financial sector of the economy, the Government of Anguilla, with assistance from the private sector, prepared several legislative acts.

34. According to the Director of Financial Services of Anguilla, the Territory currently has a strong, well-regulated financial services infrastructure. As a "zero-tax" jurisdiction, Anguilla is competing with well-established giant financial centres

in Bermuda, the United States and the Far East, as well as with those elsewhere in the Caribbean.

35. Anguilla's Mutual Funds Act 2004 provides for the regulation, authorization and control of mutual funds and their managers and administrators carrying on business in or from within Anguilla. The types of mutual funds envisaged are private, professional and public. The other two pieces of new legislation that were passed in 2004 in Anguilla were the Protected Cell Companies Act and the Insurance Act, which establishes the Territory as a domicile for both domestic and foreign insurance business.[2]

36. In November 2003, the House of Assembly passed the Financial Services Commission Act to fulfil a recommendation of Klynveld Peat Marwick and Goerdeler (KPMG) consultants. The Commission was established in March 2004, as an independent regulatory body that focuses on licensing, supervision of licensees, monitoring of financial services in general, reviewing existing financial services legislation and making recommendations for new legislation, as well as maintaining contact with appropriate foreign and international regulatory authorities.[3]

37. Currently, Anguilla has in place effective anti-money-laundering legislation, including the Proceeds of Criminal Conduct Act, 2000; the Money Laundering Reporting Authority Act, 2000; the Anti-Money Laundering Regulations; the Guidance Notes on the Prevention of Money Laundering; and the Criminal Justice (International Cooperation) (Anguilla) Act. The Government of Anguilla reviewed and amended its proceeds of crime legislation and other areas of anti-money-laundering regulation to ensure compliance with the requirements of the international regulatory bodies, in particular the revised 40 recommendations of the Financial Action Task Force on Money Laundering, as well as the eight special recommendations on terrorist financing.

38. An important component of the financial service industry of the Territory is the Anguilla Commercial Online Registration Network (ACORN). At present, it allows 95 per cent of all documents, including new registrations, to be filed electronically by locally licensed service providers and their approved overseas agents. The exemplary performance of the Network was noted in the review of Anguilla's financial services by the KPMG consultants, who stated, "Of particular note is the development of the ACORN company registration system and the operation of the company registry in general, which we consider to be an example of how online registration can be developed in a well regulated manner". Recently, the Network was given the ability to incorporate electronically companies with Chinese characters representing the name. Other languages currently available on the Network include French, Spanish and Russian (Cyrillic alphabet).

39. According to the information provided by the administering Power, Anguilla, along with the other United Kingdom Territories in the Caribbean, has agreed to implement the European Union Taxation of Savings Directive when it comes into effect in 2005. Agreements with each European Union member State are being signed and implementing legislation will be enacted in the Territory.

E. Transport

General

40. Anguilla has approximately 150 kilometres of roads, of which 80 kilometres are paved. Continuation of the government road improvement programme is the second priority of the capital budget (after development of the airport).

41. In 2003, two road construction projects were ongoing throughout the island. The first one, the hurricane Lenny road rehabilitation project involved the reconstruction of roads in Shoal Bay West, Sandy Ground, George Hill, the Quarter, East End and Island Harbour, which were damaged by Hurricane Lenny. Funding for the project was provided through a loan of EC$ 9.9 million obtained from the Caribbean Development Bank and local counterpart financing of EC$ 2.1 million. The second project was the Little Harbour to Blowing Point Road, constructed at a cost of EC$ 6.5 million through a grant from the European Development Fund.

42. The 2004 budget allocated a record amount of EC$ 67.61 million to capital expenditure in order to provide funding for vital public infrastructure. The expenditure was devoted primarily to the completion of road development programmes commenced in 2003 and the implementation of additional essential road construction delayed for a number of years. The airport project and road development together will account for 82.6 per cent of total capital spending in 2004.

43. According to the administering Power, Anguilla's road development programme is nearing completion and is designed to complement developments in the tourism and air transport sectors. When completed, the major roads linking the airport with the Blowing Point ferry terminal and the main hotels will have been significantly upgraded. In another phase scheduled for 2005, the roads around the capital (the Valley) will be upgraded.

Seaports

44. Anguilla has two ports, one at Blowing Point and the other at Road Bay. As of December 2001, Anguilla had three ships registered with Lloyd's of London, with a total displacement of 701 tons.

45. In 2004, Anguilla, with the assistance of the Government of the United Kingdom, updated its legislation and security infrastructure and procedures at the ports in compliance with the new requirements of the International Ship and Port Security Code. Certification was achieved for both ports. The Government also worked with the local shipping industry to ensure that it was compliant.[7]

Airports

46. As reported in previous working papers (A/AC.109/2002/3, para. 51, and A/AC.109/2003/11, para. 45), the Government of Anguilla has continued to work on the extension of the Wallblake Airport runway. Initial plans involved an extension of the runway east. Following a legal dispute, currently under appeal, the Government of Anguilla redesigned the project to include an extension of 5,500 feet (1,664 metres) west. With that extension, the airport will be able to accommodate ATR-72 planes flown by American Eagle and a number of private jets, which hitherto had to land at St. Maarten, Saint Kitts and Nevis or St. Thomas, and small charter planes.

47. Work on the project started in May and the runway was completed in December 2004. In the longer term, the Government of Anguilla plans a further upgrade to the airport terminal in 2005 and the creation of an airport authority.[1]

48. Of the total ECS 67.61 million in capital expenditure, the expansion of Wallblake Airport will account for ECS 49.22 million, or 72.8 per cent. The amount of ECS 40.5 million to finance the project has come from commercial bank loans. Over a three-year period, 67 per cent of the borrowing will be repaid from the European Development Fund allotment. The main source of funds for the acquisition of land and resettlement has been the sale of shares of the Anguilla Electric Company.

F. Communications and electricity

49. Anguilla has a modern internal telephone system and a microwave relay to St. Maarten/St. Martin for international calls. The system is operated under a monopoly by Cable and Wireless Ltd., which has a number of Caribbean franchises. The communications sector accounts for 11.9 per cent of GDP.

50. In April 2003, an agreement was reached with Cable and Wireless Ltd. for the liberalization of the telecommunications industry. That process was supported by the Government of the United Kingdom through the provision of technical assistance and funding. A transition plan was agreed on that envisages full liberalization of the sector in 12 months, conditional on the completion of necessary regulations. Proposals were invited from interested mobile operators for two new licences. By the end of 2004 two new mobile licences were issued, one to a fully locally owned company and the other to a joint venture between an international operator and a local company. The sector will be fully liberalized by the beginning of 2005.[1]

51. According to the information provided by the administering Power, in May 2004, the Public Utilities Commission was established and is now operational. It is an independent statutory body whose operations are funded by levies on the regulated sectors. Through an international recruitment process, the Government of Anguilla has selected an Executive Director for the Commission, which will regulate the industry, including the electricity and water sectors.

52. In 2003, the Government fulfilled a long-standing commitment to make some of the shares of the Anguilla Electricity Company available to the general public. The response to the public offering was strong. With the share issue closed on 1 September 2003, the Government received EC$ 15.95 million from the sale after cost. There were over 1,000 new shareholders, who now own 55 per cent of the company. The proceeds from the sale were added to the Government's capital revenue for 2003. In September 2004, the company held its first annual general meeting since divestment, when a new Board of Directors was declared and the first dividend to shareholders was paid.[1]

V. Social conditions

A. General

53. Living standards and social indicators in Anguilla compare favourably with those of other countries in the region. Per capita income was approximately US$ 7,700 in 2003. The literacy rate is 95 per cent. According to the results of the 2001 census, the life expectancy for a female at birth is 78 years, while for a male it is 77.9 years, showing a considerable increase from 1974, when it was 69 years for females and 65 years for males.

54. Anguilla has had a social security scheme since 1982. In 2001 the Government announced plans to establish a permanent social welfare programme within the Social Security Board to assist the elderly and other economically deprived groups.

55. As was reported in working paper A/AC.109/2004/10, paragraph 57, in December 2003 the Government replaced the non-contributory pension system for public servants with a contributory scheme. The normal retirement age was also increased to 60, and to 65 for certain categories of workers.

56. In October 2004, within the framework of the reform and modernization of the public service, the Governor appointed a three-member integrity board to examine the conflict of interests of public servants and to advise how to resolve them. The board's duties include investigating and reporting to the Governor allegations against public servants related to double employment, examining requests from public servants to hold interest in commercial undertakings or be engaged in private work and establishing the register of interests of public servants. According to the Governor, there is no intention to stop double employment in the Territory with a small workforce, but the objective is to ensure that such activities do not raise doubts about the integrity of public administration.

B. Education

57. Education on Anguilla is free and compulsory between the ages of 5 and 17. Formal education is delivered through a structured education system from pre-primary to post secondary levels. There are 11 private pre-schools on Anguilla, of which 10 are subsidized by the Government to facilitate access to them. Children between the ages of three and five attend those schools. Current enrolment stands at 437.

58. Children between the ages of 5 and 12 attend primary school. There are six public primary schools, one private assisted primary school and one private school. Special education services are provided at two special education centres attached to the larger primary schools. Education and support for students with special needs are also provided at those centres.

59. Secondary education in Anguilla is provided at the two campuses — Campus A and Campus B — of the only secondary educational institution on Anguilla, the Albena Lake-Hodge Comprehensive School. Campus B is a new addition, recently built to address the need for additional accommodation. There are some 1,145 students currently enrolled at the school.

60. The Adult and Continuing Education Unit of the Department of Education and the University of the West Indies Distance Education Centre provide tertiary education in Anguilla. Adult and continuing education offer primary and secondary teacher-training programmes. The University of the West Indies extension campus in Anguilla offers a range of distance education programmes to students on Anguilla based on the system at the University.[7]

C. Public health

61. According to the information provided by the administering Power, despite economic challenges, the Government of Anguilla has embarked on an ambitious health sector reform programme that used the Alma Ata Declaration of 1978 as its base to ensure equitable, affordable and accessible primary and secondary health care to all citizens through a decentralized health service model.[8]

62. The Board of the Health Authority of Anguilla was installed in December 2003 and took control of, and responsibility for, all secondary, primary and personal health-care services in January 2004. That shift in the health services delivery model, from Government to statutory board, is based on the belief that a decentralized service should be more efficient, effective, accountable and flexible with regard to the type of care provided to the people of Anguilla.

63. The Government of Anguilla's other health priorities, as set out in the strategic plan for health for 2003-2008, include the continued strengthening of primary and secondary health-care services, the development of the Health Protection and Quality Assurance Department of the Ministry of Health, which includes environmental health, water quality monitoring, solid waste disposal services and the regulation of public and private health services, the expansion of mental health and psychiatric services, care of the elderly, the prevention and treatment of HIV/AIDS and other communicable disease, the development of human resources, the provision of family health services, decreasing the cases and effects of chronic non-communicable diseases and the implementation of a health-care financing mechanism — national health insurance — which should be introduced in 2005.

64. As a result of the health reform process, the Ministry of Social Development itself has undergone significant changes in its structure and function. In addition to its responsibility for departments such as education, social development, sports, youth and culture and correctional services, the Ministry is now charged with regulating and monitoring public and private health sectors, including the Health Authority of Anguilla. Under this new arrangement, the Ministry of Social Development will perform policy-making, regulatory and purchasing roles related to health services through the Department of Quality Assurance and Health Protection.

65. The 2004 budget makes provision for EC$ 11.175 million for the Health Authority of Anguilla. Expenditure on health services, including regulation and protection, accounts for approximately 15 per cent of the recurrent expenditure estimates.[9]

D. Crime

66. The crime rate in Anguilla is low by regional and international standards. However, the pattern of crime in the territory is changing. The island has experienced the emergence of crime, which was formerly foreign to the Territory, albeit from a very low base. In 2003, there was an increase in firearm crimes. Firearm incidents rose from 3 offences in 2002 to 11 offences in 2003. Two firearm incidents resulted in the death of two persons, which was new to Anguilla, and provided a challenge for law enforcement.

67. The challenge for Anguilla's law enforcement agencies will be to prevent drug crime, firearm crime and other serious crimes infiltrating the Anguilla community. In 2004, the departments of prison, customs and immigration and the Royal Anguilla Police Force signed a memorandum of understanding that clearly identifies the role of each agency when on duty. The agencies are in the process of finalizing an operational strategy to deal with crime-related problems.

68. In 2004, the police department re-commissioned the police launch *Dolphin*. The vessel had been out of commission for three years. This vessel, with its present capability, will assist greatly in enforcing and maintaining fisheries, immigration and customs laws and in apprehending those who carry out illegal activities in Anguilla's territorial waters.[5]

VI. Relations with international organizations/arrangements

69. Anguilla is a member of the Eastern Caribbean Central Bank, an associate member of the Organization of Eastern Caribbean States, the Association of Caribbean States, the Economic Commission for Latin America and the Caribbean and the Caribbean Community and Common Market. As a Non-Self-Governing Territory of the United Kingdom, Anguilla has the status of Overseas Territory in association with, but is not part of, the European Union.

70. According to the administering Power, the Government of Anguilla cooperates directly with other Caribbean Governments and participates in regional projects of various international organizations and agencies.[5]

VII. Future status of the Territory

A. Position of the territorial Government

71. The Constitutional Review Committee was set up by the Government of Anguilla in 2001 and has been assisted by the administering Power and the United Nations Development Programme. Its work ground to a halt, however, in early 2004.

72. In May 2003, the Government of Anguilla, in collaboration with the United Kingdom, hosted the Caribbean Regional Seminar on Advancing the Decolonization Process in the Caribbean and Bermuda, organized by the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples.[6] The landmark nature of the seminar, held for the first time in a Non-Self-Governing Territory, was welcomed by the international community.

73. The seminar had a notable educational impact on both the leadership and civil society in Anguilla and triggered a useful discussion related to the political, economic and social aspects of Anguilla's status as a Non-Self-Governing Territory and its options in achieving self-determination.

74. At the meeting of the Overseas Territories Consultative Council in London in December 2003, the Minister of Finance of Anguilla presented a paper critical of the administering Power's handling of self-determination for the Territories. He gave examples of perceived inconsistencies between the stated international commitment to self-determination by the Government of the United Kingdom and certain negative messages given to the United Kingdom Territories. According to the paper, the partnership enshrined in the 1999 White Paper was a colonial relationship, not one of political equality. The Minister urged the United Kingdom not to shut the door on "free association", which, in his view, could be based on a model agreed by the two parties, and called upon them to work together towards political equality for Territories. The removal of the United Kingdom's power to legislate in the Territories would be a precursor for such equality, which is in itself a key criterion for removal of a Territory from the United Nations list of Non-Self-Governing Territories. Otherwise, the paper stated, the Territories would remain dependencies. The paper also referred to the lack of information in the Territories about constitutional options.

75. The concept of free association was also touched on by the Minister of Finance in his budget address to the House of Assembly in December 2003. He stated that during the public consultations, the concept of free association with the United Kingdom had received attention. He viewed it as a "halfway house" towards full independence, whereby Anguilla would attain full internal self-government, with defence and external relations remaining the preserve of the United Kingdom. He considered that the best known example of a free association arrangement is that of the Cook Islands and Niue in free association with New Zealand. He underlined that constitutional development was a fundamental right of a people and was enshrined in many resolutions of the United Nations. Consequently, it was the view of the Government of Anguilla that Anguillans must have more scope when it comes to choosing their way forward constitutionally. He firmly believed that any attempt by the Government of the United Kingdom to determine or constrain the constitutional and electoral reform process would not be in line with United Nations mandates.

76. According to the information provided by the administering Power, both the Chief Minister and the Minister of Finance shared similar concerns aired at the Overseas Territories Consultative Council in September 2004. The Chief Minister, Mr. Osbourne Fleming, did, however, say that Anguilla had a good relationship with the United Kingdom, which had improved significantly over the years. But he argued that the Territories should be given more autonomy. He wanted Anguilla to have a Bermuda-style constitution, although it had not yet reached Bermuda's stage of development.

B. Position of the administering Power

77. In his statement at the 3rd meeting of the Fourth Committee, held on 5 October 2004, at the fifty-ninth session of the General Assembly (see A/C.4/59/SR.3), the representative of the United Kingdom said that his Government again welcomed the

opportunity, as administering Power for 10 of the 16 Territories on the United Nations list of Non-Self-Governing Territories, to update the Committee on developments since it last met.

78. He stated that the partnership between the United Kingdom and its Overseas Territories continued to develop. The sixth annual meeting of the Overseas Territories Consultative Council had been held in London in September 2004. The Council, which had been chaired by Bill Rammell MP, Minister for the Overseas Territories, was the forum for dialogue between democratically elected chief ministers and their equivalents from the Territories and with United Kingdom government ministers. The meeting in 2004 again gave the opportunity for discussion on the relationship between the United Kingdom and the Territories, on constitutional modernization issues, on sustainable development, including good governance and environmental matters, and on other issues relating to the United Kingdom's international obligations.

79. The representative stated that Mr. Rammell had made useful visits to two of the Territories, the Falkland Islands (Malvinas) and the British Virgin Islands, over the past year. These had enabled him to meet a range of people in the two Territories and to get better, first-hand knowledge of them. He had also been able to have discussions on a wide range of issues with elected representatives in their own territories.

80. The United Kingdom, he pointed out, welcomed the progress being made in the constitutional review process. Useful and productive discussions had been held over the past year by United Kingdom officials with representatives of Montserrat, St. Helena and the Turks and Caicos Islands. In St. Helena a draft constitution had been prepared and wider consultation on it was under way. Constitutional reform proposals for Gibraltar had been tabled in December 2003. Dates had not yet been set for formal talks.

81. Conscious of the limited resources in a number of the Territories, the United Kingdom Government was continuing to support projects in various fields to raise local capacity and to promote sustainable development and good governance. Projects ranged from economic diversification, to the reform of legislation governing child and family welfare, to a study on alternatives to custodial sentencing.

82. He recalled that in 2003 the representative of the United Kingdom had said that additional funds had been expected to be provided by the Foreign and Commonwealth Office and the Department for International Development to support environment work in the Territories and the implementation of the Overseas Territories Environment Charters, signed in 2001. This joint Overseas Territories Environment Programme was funding 23 new projects in 2004/05, of which three were multi-Territory initiatives. These included habitat restoration, surveys of natural living resources and capacity-building for both government and civil society institutions.

83. Regrettably, he said, the Caribbean had again suffered badly from hurricanes and, in the context of the Territories, he mentioned the devastation caused by hurricane Ivan to the Cayman Islands, despite good local contingency planning. The United Kingdom had been able to provide some immediate help, and other Territories and neighbouring States had also helped. The United Kingdom and the

Cayman Islands were very grateful to all for their assistance. Although much remained to be done, encouraging steps were being taken to enable the Territory to return to normality. The Turks and Caicos Islands also had suffered extensive damage in part of the Territory a few weeks earlier.

84. The United Kingdom representative mentioned that, in response to requests from some Overseas Territories for help in accessing European Commission economic, trade and development assistance, an official responsible for liaising with the Commission had been appointed last year to the Foreign and Commonwealth Office Overseas Territories Department. He continued to work with several of the Territories in identifying and pursuing Commission development aid as provided for under the European Union-Overseas Countries and Territories Association decision of November 2001.

85. The representative said that the United Kingdom continued its informal cooperation with the Special Committee. The most recent involvement had been when a United Kingdom representative had attended and presented a paper on constitutional developments in the United Kingdom Territories at the Special Committee's seminar in Papua New Guinea in May 2004. He stated that perhaps the most positive recent development was the proposal for a visit to Bermuda, with a view to considering movement towards that Territory's delisting. He concluded by saying that the Secretariat was in touch directly with Bermuda in preparing for that.

C. Consideration by the United Nations

86. On 10 December 2004, the General Assembly adopted resolutions 59/134 A and B. Section II of resolution 59/134 B is devoted specifically to Anguilla.

Notes

[1] Information provided by the administering Power.

[2] International Money Marketing, November 2004.

[3] Ibid., March 2004.

[4] *The Anguillian*, 29 October 2004.

[5] Declaration adopted by the World Health Organization Conference in Alma Ata, Kazakhstan (former Soviet Union) in 1978, set goals for global improvement in health (see www.who.int).

[6] A/58/23, chap. II, annex.